

ORIGINAL

NEW APPLICATION 0000147232



BEFORE THE ARIZONA CORPORATION COMMISSION

DOCKETED

AUG - 8 2013

COMMISSIONERS

BOB STUMP, Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

DOCKETED BY	ne
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E-01703A-13-0272

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AZ CORP COMMISSION
DOCKET

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. E-01703A-13-
DUNCAN VALLEY ELECTRIC COOPERATIVE,)
INC. FOR APPROVAL OF A LOAN) **FINANCE APPLICATION**

Pursuant to A.R.S. § 40-301 et seq., Duncan Valley Electric Cooperative, Inc. ("DVEC" or "the Cooperative"), hereby files with the Arizona Corporation Commission ("Commission") an Application ("Finance Application") for authorization to borrow \$475,099 from the National Rural Utilities Cooperative Finance Corporation ("CFC") to finance DVEC's prepayment of a portion of its future funding obligations to the National Rural Electric Cooperative Association ("NRECA") Retirement Security Plan ("RSP"). In support of its Finance Application, DVEC states as follows:

1. DVEC is a non-profit public service corporation. DVEC holds Certificates of Convenience and Necessity, to provide Electric and Natural Gas Distribution Services to its member-customers in Greenlee County, Arizona.
2. The Commission has jurisdiction over DVEC and the subject matter of this Finance Application.
3. DVEC currently provides electric and natural gas services to approximately 1,700

1 members.

2 4. On March 18, 2013, DVEC's Board of Directors approved a Resolution for a loan
3 from CFC in the amount of \$475,099, to finance the DVEC's prepayment of a portion of its
4 future funding obligations to the NRECA RSP.

5 5. DVEC has attached to this application a schedule showing a comparison of the
6 estimated payments to the NRECA RSP with and without the prepayment option. According to
7 this schedule, DVEC has estimated that it will experience savings in RSP payments in the third
8 year and continue to experience savings each year thereafter. Over the 11 year period of the
9 loan, DVEC estimates it will save a total of \$67,485 by prepaying a portion of its RSP payments.
10 The realized savings of participating in the RSP prepayment funding are based on a modest 3%
11 increase in base salary. If base salary were to increase more than 3%, the savings in retirement
12 expenses would be higher.
13

14 6. Over a 20 year period, DVEC is expected to save approximately \$750,000 by
15 participating in the RSP prepayment funding. All savings, due to prepayment, will benefit
16 DVEC's members in the form of a lower cost of service.
17

18 7. DVEC is submitting an application for long-term financing in the amount of
19 \$475,099, with a maturity date to cover a period of eleven (11) years and with fixed interest rate
20 of 2.95 percent, to fund the prepayment of the RSP payments as outlined in Exhibit B.
21

22 8. A copy of the DVEC Board of Directors' resolution approving the Loan is
23 attached here to as Exhibit A.

24 9. DVEC intends to repay, in substantial part, the cost of the Loan over an eleven
25 (11) year period through the savings realized from the prepayment to the RSP.
26

1 10. DVEC's Loan request is: (1) for lawful purpose; (2) within DVEC's corporate
2 powers; (3) compatible with the public interest; (4) within sound financial practices; and (5)
3 within the proper performance of the Cooperative as a public service corporation. The Loan will
4 improve DVEC's ability to continue to provide safe and reliable electric and natural gas
5 distribution services to its member-customers.
6

7 11. The Loan is dependent upon authorization by this Commission.

8 12. CFC has indicated that in the near future, the interest rate may be higher than the
9 rate quoted and used in the calculations of the payment terms, but has agreed to extend the 2.95
10 percent interest rate until October 31, 2013.

11 13. DVEC requests the Commission consider this loan application as soon as possible
12 but no later than the October 16, 2013 Open Meeting.
13

14 14. The aggregate amount of securities outstanding, and proposed to be outstanding,
15 will not exceed the fair value of DVEC's properties and business. A copy of DVEC's audited
16 financial statements for the years ended December 31, 2011 and 2012 is also attached here to.

17 15. All correspondence with regard to this Finance Application should be sent to:

18 Michael Pearce
19 Duncan Valley Electric Cooperative, Inc.
20 379597 Az 75
21 PO Box 440
22 Duncan, Arizona 85534
23 Email: mikepearce@dvec.org

24 With a copy to:

25 John V. Wallace
26 Grand Canyon State Electric Cooperative Association, Inc.
 2210 South Priest Drive
 Tempe, Arizona 85282
 E-mail: jwallace@gcseca.coop

1 WHEREFORE, DVEC, having fully stated its Application and showing
2 that it is in the public interest for the Cooperative to obtain the Loan to fund prepayment of a
3 portion of its future funding obligations to the NRECA RSP, hereby requests that the
4 Commission:

- 5 1. Accept DVEC's Finance Application for filing.
- 6 2. Authorize DVEC to borrow \$475,099 from CFC for the lawful purposes set forth
7 in this Finance application and to authorize the Cooperative to take such actions
8 necessary and appropriate to execute a mortgage to secure the Loan; and
9 3. DVEC requests the Commission consider this loan application as soon as possible
10 but no later than the October 16, 2013 Open Meeting; and
11 4. Grant such other relief as may be in the public interest.

12
13
14 RESPECTFULLY SUBMITTED this 8th day of August 2013.

15
16
17
18 By:



Michael Pearce
DUNCAN VALLEY ELECTRIC COOPERATIVE, INC.

19
20
21 Original and thirteen (13) copies of
22 DVEC's Financing Application
23 filed this 8th day of August, 2013
24 with:

25 DOCKET CONTROL
26 Arizona Corporation Commission
 1200 West Washington Street
 Phoenix, Arizona 85007

CERTIFICATE OF RESOLUTIONS AND INCUMBENCY

I, Judy McKinley, hereby certify that (i) I am the Secretary of Duncan Valley Electric Cooperative ("Cooperative"); (ii) the following are true and correct copies of resolutions duly adopted by the governing body of the Cooperative at a meeting held on March 18, 2013; (iii) the meeting was duly called and held in accordance with the articles of incorporation and bylaws of the Cooperative; (iv) the Cooperative is duly incorporated, validly existing and in good standing under the laws of the state of its incorporation and there is no pending or contemplated proceeding for the merger, consolidation, sale of assets or business or dissolution of the Cooperative; (v) none of the following resolutions has been rescinded or modified as of this date; and (vi) the persons listed below have been duly elected or appointed to their respective positions as so indicated:

RESOLVED, that the Cooperative borrow from National Rural Utilities Cooperative Finance Corporation ("CFC") funds for purposes of financing the Cooperative's pension plan prepayment. Such loan or loans shall be in an aggregate amount not to exceed \$478,156.00; and

RESOLVED, that each of the individuals listed below is hereby authorized to negotiate, to execute and to deliver to CFC a loan agreement in such form as may be negotiated with CFC, and one or more promissory notes payable to the order of CFC ("Loan Documents"); and

RESOLVED, that each of the following individuals is hereby further authorized in the name and on behalf of the Cooperative to execute and to deliver all such other documents and instruments as may be necessary or appropriate, to determine the term of all such loans, to make all payments, to execute any future amendments to the Loan Documents as such individual may deem appropriate within the loan amount authorized herein, and to do all such other acts as in the opinion of such authorized individual acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions; and

RESOLVED, that without further action of this Board, CFC shall be entitled, in connection with the loan authorized herein, to rely upon the act of any of the following individuals as an official and authorized act of the Cooperative:

Office or Title	Name (typed or printed)
<u>President</u>	<u>Johnnie Frie</u>
<u>Vice-president</u>	<u>Richard Lunt</u>
<u>Secretary</u>	<u>Judy McKinley</u>
<u>CEO</u>	<u>Michael Pearce</u>
<u>Administrative Manager</u>	<u>Steven Lunt</u>

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of the Cooperative this

31st day of July, 2013.


Secretary

(SEAL)

Exhibit B

Duncan Valley Electric Cooperative
NRECA Retirement Security Plan
Prepayment Savings

Billing Rate (% of P/R)	Prior 29.03%	New 21.81%	Loan Interest Rate (Fixed) 2.95%	475,099
Annual Base Payroll 2012	676,489		Term (Years) 11	
Yearly Payroll Growth	3.9%		Frequency Quarter	
			Annual Payments	\$50,735

Program Year	Prior vs New			11 Year Loan 2.95% - Fixed			Cumulative Savings
	Prior Billing	New Billing	Billing Savings	Installment Payments	New Bill + Installments	Savings	
Totals	5,276,932	3,964,516	1,312,416	558,080	4,522,596	754,336	
1 2013	196,385	147,542	48,843	50,735	198,277		
2 2014	202,276	151,969	50,308	50,735	202,703		
3 2015	208,345	156,528	51,817	50,735	207,262	1,082	
4 2016	214,595	161,223	53,372	50,735	211,958	2,637	1,401
5 2017	221,033	166,060	54,973	50,735	216,795	4,238	5,639
6 2018	227,664	171,042	56,622	50,735	221,776	5,887	11,526
7 2019	234,494	176,173	58,321	50,735	226,908	7,586	19,112
8 2020	241,528	181,458	60,070	50,735	232,193	9,336	28,448
9 2021	248,774	186,902	61,872	50,735	237,637	11,138	39,585
10 2022	256,238	192,509	63,728	50,735	243,244	12,994	52,579
11 2023	263,925	198,284	65,640	50,735	249,019	14,906	67,485
12 2024	271,842	204,233	67,609	0	204,233	67,609	135,094
13 2025	279,998	210,360	69,638	0	210,360	69,638	204,732
14 2026	288,398	216,671	71,727	0	216,671	71,727	276,459
15 2027	297,050	223,171	73,879	0	223,171	73,879	350,337
16 2028	305,961	229,866	76,095	0	229,866	76,095	426,433
17 2029	315,140	236,762	78,378	0	236,762	78,378	504,810
18 2030	324,594	243,865	80,729	0	243,865	80,729	585,540
19 2031	334,332	251,181	83,151	0	251,181	83,151	668,691
20 2032	344,362	258,716	85,646	0	258,716	85,646	754,336

ARIZONA 23 DUNCAN

**DUNCAN VALLEY ELECTRIC COOPERATIVE, INC.
AND SUBSIDIARY**

DUNCAN, ARIZONA

CONSOLIDATED FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

AND

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

**ARIZONA 23 DUNCAN
DUNCAN VALLEY ELECTRIC COOPERATIVE, INC. AND SUBSIDIARY
DUNCAN, ARIZONA**

**CONSOLIDATED FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

PHONE: (806) 747-3806

FAX: (806) 747-3815

8215 NASHVILLE AVENUE

LUBBOCK, TEXAS 79423-1954

INDEPENDENT AUDITORS' REPORT

Board of Directors
Duncan Valley Electric Cooperative, Inc.
Duncan, Arizona

We have audited the accompanying consolidated financial statements of Duncan Valley Electric Cooperative, Inc. and Subsidiary (the Cooperative), which comprise the consolidated balance sheets as of December 31, 2012 and 2011, and the related consolidated statements of income and patronage capital and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Duncan Valley Electric Cooperative, Inc. and Subsidiary as of December 31, 2012 and 2011, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

February 4, 2013

CONSOLIDATED FINANCIAL STATEMENTS

DUNCAN VALLEY ELECTRIC COOPERATIVE, INC. AND SUBSIDIARY

Exhibit A

CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2012 AND 2011

ASSETS

	December 31,	
	2012	2011
UTILITY PLANT AT COST		
Plant in Service	\$ 9,793,354	\$ 9,472,455
Construction Work in Progress	(5,448)	(3,964)
	\$ 9,787,906	\$ 9,468,491
Less: Accumulated Provision for Depreciation	5,929,997	5,763,762
	\$ 3,857,909	\$ 3,704,729
OTHER PROPERTY AND INVESTMENTS - AT COST OR STATED VALUE		
Non-Utility Property	\$ 22,728	\$ 22,728
Investments in Associated Organizations	2,044,126	2,026,714
Temporary Investments - Other	811,358	543,608
Notes Receivable (Less allowance for uncollectibles of \$4,169 in 2012 and \$4,169 in 2011)	52,457	65,030
	\$ 2,930,669	\$ 2,658,080
CURRENT ASSETS		
Cash - General	\$ 178,337	\$ 196,302
Temporary Investments - Cash Equivalents	300,000	500,000
Accounts Receivable (Less allowance for uncollectibles of \$10,666 in 2012 and \$10,146 in 2011)	383,392	439,629
Underbilled Power and Gas Cost	13,390	
Materials and Supplies	190,131	168,582
Interest Receivable	11,288	11,384
Other Current and Accrued Assets	68,663	61,042
	\$ 1,145,201	\$ 1,376,939
DEFERRED CHARGES	\$ 28,926	\$ 26,880
TOTAL ASSETS	\$ 7,962,705	\$ 7,766,628

EQUITIES AND LIABILITIES

EQUITIES		
Patronage Capital	\$ 7,535,553	\$ 7,535,553
Other Equities (Deficits)	(572,512)	(556,561)
Unrealized Gain (Deficits) on Available-for-Sale Securities	148,683	80,776
	\$ 7,111,724	\$ 7,059,768
LONG TERM DEBT		
Capital Leases Less Current Maturities	\$ 203,900	\$ 0
	\$ 203,900	\$ 0
CURRENT LIABILITIES		
Current Portion of Capital Leases	\$ 21,549	\$
Accounts Payable - Purchased Power and Gas	203,698	212,537
Accounts Payable - Other		300
Accounts Payable - Overbilled Power and Gas Cost		7,693
Accrued Taxes	57,774	59,802
Consumers' Deposits and Prepayments	72,335	64,835
Accrued Employee Compensated Absences	134,957	121,951
Accrued Payroll	2,734	25,959
Other Current and Accrued Liabilities	39,024	40,246
	\$ 532,071	\$ 533,323
DEFERRED CREDITS	\$ 115,010	\$ 173,537
TOTAL EQUITIES AND LIABILITIES	\$ 7,962,705	\$ 7,766,628

The accompanying notes are an integral part of these consolidated financial statements.

DUNCAN VALLEY ELECTRIC COOPERATIVE, INC. AND SUBSIDIARY

Exhibit B

CONSOLIDATED STATEMENT OF INCOME AND PATRONAGE CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Years Ended December 31,				
	2012		2011		Increase (Decrease)
	Amount	%	Amount	%	
OPERATING REVENUES					
Residential	\$ 2,651,843	64.9	\$ 2,731,289	66.4	\$ (79,446)
Irrigation	478,351	11.7	510,573	12.4	(32,222)
Commercial and Industrial	752,161	18.5	767,076	18.7	(14,915)
Public Street and Highway Lighting	15,614	0.4	16,110	0.4	(496)
Power and Gas Cost Over (Under) Billed	21,083	0.5	(51,120)	(1.2)	72,203
Internet Revenues	123,725	3.0	115,989	2.8	7,736
Rent from Electric Property	26,396	0.6	10,263	0.2	16,133
Other Operating Revenues	16,671	0.4	12,874	0.3	3,797
Total Operating Revenues	\$ 4,085,844	100.0	\$ 4,113,054	100.0	\$ (27,210)
OPERATING EXPENSES					
Purchased Power and Gas	\$ 2,412,465	59.0	\$ 2,482,551	60.4	\$ (70,086)
Distribution - Operation	586,392	14.4	567,309	13.8	19,083
Distribution - Maintenance	186,947	4.6	199,020	4.8	(12,073)
Customer Accounts	331,868	8.1	317,590	7.7	14,278
Customer Service and Information	25,343	0.6	21,370	0.5	3,973
Administrative and General	276,316	6.8	260,300	6.3	16,016
Internet Expenses	77,255	1.9	60,708	1.5	16,547
Depreciation and Amortization	282,632	6.9	280,069	6.8	2,563
Other Interest	142	0.0	174	0.0	(32)
Total Operating Expenses	\$ 4,179,360	102.3	\$ 4,189,091	101.8	\$ (9,731)
OPERATING MARGINS (LOSS) - BEFORE FIXED CHARGES	\$ (93,516)	(2.3)	\$ (76,037)	(1.8)	\$ (17,479)
FIXED CHARGES					
Interest on Long-Term Debt	6,224	0.2		0.0	6,224
OPERATING MARGINS (LOSS) - AFTER FIXED CHARGES	\$ (99,740)	(2.5)	\$ (76,037)	(1.8)	\$ (23,703)
Capital Credits	28,451	0.7	128,056	3.1	(99,605)
NET OPERATING MARGINS (LOSS)	\$ (71,289)	(1.8)	\$ 52,019	1.3	\$ (123,308)
NONOPERATING MARGINS					
Interest Income	\$ 64,577	1.6	\$ 58,508	1.4	\$ 6,069
Other Nonoperating Income (Loss)	(9,237)	(0.2)	(11,170)	(0.3)	1,933
	\$ 55,340	1.4	\$ 47,338	1.1	\$ 8,002
NET MARGINS (LOSS) - BEFORE COMPREHENSIVE INCOME	\$ (15,949)	(0.4)	\$ 99,357	2.4	\$ (115,306)
COMPREHENSIVE INCOME					
Gain on Securities Held-for-Sale	67,904	1.7	1,292	0.0	66,612
NET MARGINS (LOSS) - AFTER COMPREHENSIVE INCOME	\$ 51,955	1.3	\$ 100,649	2.4	\$ (48,694)
PATRONAGE CAPITAL - BEGINNING OF YEAR	7,535,553		7,535,553		
Transfer of Comprehensive Income	(67,904)		(1,291)		
Income Offset to Prior Losses			(99,358)		
Transfer Losses to Other Equity	15,949				
PATRONAGE CAPITAL - END OF YEAR	\$ 7,535,553		\$ 7,535,553		

The accompanying notes are an integral part of these consolidated financial statements.

DUNCAN VALLEY ELECTRIC COOPERATIVE, INC. AND SUBSIDIARY

Exhibit C

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	December 31,	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Margins (Loss)	\$ (15,949)	\$ 99,358
Adjustments to Reconcile Net Margins (Loss) to Net Cash Provided by Operating Activities		
Depreciation	303,400	297,865
Capital Credits - Noncash	(28,451)	(124,715)
Deferred Charges	(2,046)	(767)
Deferred Credits	(58,527)	27,201
Accounts Receivable	56,237	61,865
Inventories and Other Current Assets	(42,464)	25,110
Payables and Accrued Expenses	(22,801)	(13,680)
Net Cash Provided By Operating Activities	\$ 189,399	\$ 372,237
CASH FLOWS FROM INVESTING ACTIVITIES		
Gross Additions to Utility Plant	\$ (433,916)	\$ (183,604)
Salvage Value of Retirements and Other Credits	2,687	4,213
Plant Removal Costs	(25,351)	(16,438)
Investments in Associated Organizations	11,039	(22,341)
Notes Receivable - Energy Resource Loans (Net)	12,573	15,358
Investments in Temporary Investments - Other	(199,846)	(61,055)
Net Cash Used in Investing Activities	\$ (632,814)	\$ (263,867)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Capital Leases	\$ 236,766	\$
Payments on Capital Leases	(11,316)	
Net Cash Provided by Financing Activities	\$ 225,450	\$ 0
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (217,965)	\$ 108,370
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	696,302	587,932
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 478,337	\$ 696,302
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for:		
Interest	\$ 6,224	\$ 0
Income Taxes	\$ 7,328	\$ 5,295

During the year ended December 31, 2012 and 2011, the Cooperative had unrealized gains of \$67,904 and \$1,291, respectively, which increased other equities and temporary cash investments - other.

The accompanying notes are an integral part of these consolidated financial statements.

DUNCAN VALLEY ELECTRIC COOPERATIVE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Duncan Valley Electric Cooperative, Inc. (the Cooperative) is a non-profit company organized to provide electric service at the retail level to primarily residential and commercial accounts in a designated service area. Power delivered at retail is purchased wholesale from Arizona Electric Power Cooperative, Inc. (AEPCO), of which the Cooperative is a member. Any revenues earned in excess of costs incurred are allocated to members of the Cooperative and are reflected as patronage capital equity in the balance sheet.

During 2008, the Cooperative merged Duncan Rural Services Corporation (DRSC) into the Cooperative as a division. DRSC acquired the gas and water utility systems serving the town of Duncan, Arizona, and surrounding area from Graham County Utilities, Inc. on November 1, 1989. Subsequently, the water system was transferred to the town of Duncan for the original purchase price.

During 1997, the Cooperative formed a subsidiary company, AZNEX Cooperative Services, Inc. The subsidiary was formed to provide communication services. The subsidiary has authorized 10,000,000 shares of no par value common stock of which 50,000 has been issued to the Cooperative. The subsidiary began operations in January, 1998. In June 2008, AZNEX sold all of its plant to a third party and ceased operating as an internet company and now earns commissions on a percentage of revenue earned by the acquiring company.

Principles of Consolidation

The consolidated financial statements include the accounts of the Cooperative and its wholly-owned subsidiary AZNEX Cooperative Services, Inc. All material intercompany transactions have been eliminated.

System of Accounts

The accounting records of the Cooperative are maintained in accordance with the Uniform System of Accounts as prescribed by the Federal Energy Regulatory Commission for Class A and B electric utilities modified for electric borrowers of the Rural Utilities Service (RUS).

Plant in Service, Maintenance, and Depreciation

Plant is stated at the original cost of construction which includes the cost of contracted services, direct labor, materials, and overhead items. Contributions from others toward the construction of electric plant are credited to the applicable plant accounts.

When property which represents a retirement unit is replaced or removed, the average cost of such property as determined from the continuing property records is credited to electric plant and such cost, together with cost of removal less salvage, is charged to the accumulated provision for depreciation.

Maintenance and repairs, including the renewal of minor items of plant not comprising a retirement unit, are charged to the appropriate maintenance accounts, except that repairs of transportation and service equipment are charged to clearing accounts and redistributed to operating expense and other accounts.

DUNCAN VALLEY ELECTRIC COOPERATIVE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Inventories

Materials and supplies inventories are valued at average unit cost.

Electric and Gas Revenues

The Cooperative's operating revenues are under the jurisdiction of the Arizona Corporation Commission and the New Mexico Public Regulatory Commission.

The Cooperative records electric and gas revenues as billed to customers on a monthly basis. Revenue is not accrued for power delivered, but not billed at the end of each month.

The Cooperative's tariffs for electric and gas service include a power cost and gas cost recovery factor under which rates charged to customers are adjusted to reflect changes in the cost of power and gas. In order to match power costs and gas costs and related revenues, power cost and gas cost billed in advance is recorded as advance billings to consumers, and power cost and gas cost to be billed in subsequent periods is recognized as accrued unbilled revenue. Annual changes in these amounts appear as over and under billed power cost and gas cost revenue on the statement of income.

Receivables and Bad Debts

The Cooperative records a receivable for power delivered monthly. Periodically, the Board of Directors reviews accounts over 90 days and writes them off. The provision for bad debts is based on historical write-offs and expectations of future bad debts.

Patronage Capital Certificates

Patronage capital from associated organizations is recorded at the stated amount of the certificates.

Cash Equivalents

For purposes of the statement of cash flows, the Cooperative considers cash – general and temporary cash investments – cash equivalents to be cash equivalents.

Group Concentration of Credit Risk

The Cooperative's headquarters facility is located in Duncan, Arizona. The service area includes members in Greenlee County, Arizona, and Hidalgo and Grant Counties, New Mexico. The Cooperative records a receivable for electric and gas revenues as billed on a monthly basis. The Cooperative requires a deposit from consumers upon connection. The deposit accrues interest annually. Deposits are applied to any unpaid bills and fees in the event of default. Deposits on hand totaled \$72,335 and \$64,835 at December 31, 2012 and 2011, respectively. At times during the year, cash balances exceeded FDIC insurance limits.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

DUNCAN VALLEY ELECTRIC COOPERATIVE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Federal Income Tax Status

The Cooperative qualifies for exempt status under Internal Revenue Code section 501(c)(12) which requires that 85% or more of income consists of amounts collected from members.

AZNEX Cooperative Services, Inc. is a taxable C-corporation.

2. Assets Pledged

Currently the Cooperative has no debt and as such no assets are pledged to any third party.

3. Plant in Service

The major classes of electric plant are as follows:

	December 31,	
	2012	2011
Duncan Valley Electric Cooperative, Inc.		
Intangible Plant	\$ 176	\$ 176
Distribution Plant	6,527,687	6,369,811
General Plant	1,737,233	1,582,371
Total Electric Plant in Service	<u>\$ 8,265,096</u>	<u>\$ 7,952,358</u>
Gas Utility Plant	\$ 1,482,337	\$ 1,475,598
Gas General Plant	45,921	44,499
Total Gas Plant in Service	<u>\$ 1,528,258</u>	<u>\$ 1,520,097</u>
Construction Work in Progress	\$ (5,448)	\$ (3,964)
Total Utility Plant	<u>\$ 9,787,906</u>	<u>\$ 9,468,491</u>

Provision has been made for depreciation of distribution plant at the straight-line composite rates as follows, for both 2012 and 2011.

Station Equipment	3.20%
Poles, Towers, and Fixtures	4.00%
Overhead Conductors and Devices	2.80%
Underground Conduit	2.80%
Underground Conductors and Devices	2.90%
Line Transformers	3.10%
Services	3.60%
Meters	3.40%
Street Lighting and Signal Systems	4.30%
Gas Utility Plant	2.80% - 9.60%

DUNCAN VALLEY ELECTRIC COOPERATIVE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

General plant depreciation rates have been applied on a straight-line basis and are as follows:

Structures	2.85% - 10.00%
Furniture and Equipment	10.00% - 33.30%
Transportation Equipment	5.00% - 20.00%
Stores Equipment	10.00% - 12.50%
Shop and Laboratory Equipment	8.34% - 20.00%
Communications Equipment	10.00% - 20.00%
Miscellaneous Equipment	20.00%

Depreciation for the years ended December 31, 2012 and 2011, was \$303,400 and \$297,865, respectively, of which \$282,632 and \$280,069 was charged to depreciation expense, and \$20,768 and \$17,796 allocated to other accounts.

4. Non-Utility Property

Non-utility property includes land (seven acres, cost \$22,728) not presently being used in the utility operations.

5. Investments in Associated Organizations

Investments in associated organizations consisted of the following as of December 31, 2012 and 2011:

	December 31,	
	2012	2011
CFC		
Membership	\$ 2,000	\$ 2,000
Capital Term Certificates	160,647	160,647
Member Capital Securities	500,000	500,000
Patronage Capital	1,012	1,012
AEPCO		
Patronage Capital	1,244,562	1,226,968
Membership	5	5
NRTC		
Patronage Capital	69,199	69,208
Membership	1,000	1,000
Grand Canyon State Electric Cooperative, Inc.		
Membership	150	150
Building	23,247	23,247
Other	42,304	42,477
	<u>\$ 2,044,126</u>	<u>\$ 2,026,714</u>

DUNCAN VALLEY ELECTRIC COOPERATIVE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Patronage capital certificates are recorded at the stated amount of the certificates. All other investments are recorded at cost.

6. Notes Receivable

Notes receivable consist of the following:

	December 31,	
	2012	2011
Member Loans - Energy Efficiency Applications	\$ 56,626	\$ 69,199
Total Notes Receivable	\$ 56,626	\$ 69,199
Reserve for Uncollectible Loans	\$ (4,169)	\$ (4,169)
	<u>\$ 52,457</u>	<u>\$ 65,030</u>

During 1990, the Cooperative initiated a program to finance the cost and installation of heat pumps for members. The loans are to be repaid monthly over five years with an interest rate of 5.50%.

7. Temporary Cash Investments

	December 31,	
	2012	2011
Homestead Funds (at fair market value)	\$ 728,024	\$ 456,001
Judy White Memorial Scholarship Fund (at fair market value)	83,334	87,607
AEPCO Note Participation Program Note	300,000	500,000
Total Investments	<u>\$ 1,111,358</u>	<u>\$ 1,043,608</u>

The Cooperative's investment in available-for-sale securities is shown at fair market value. Gains and losses on securities classified as available-for-sale are recognized through the equity account.

The following marketable securities were held as of December 31, 2012:

	Fair Value	Cost	Unrealized Gain
Homestead Funds	\$ 728,024	\$ 593,684	\$ 134,340
Scholarship Funds	83,334	68,991	14,343
	<u>\$ 811,358</u>	<u>\$ 662,675</u>	<u>\$ 148,683</u>

DUNCAN VALLEY ELECTRIC COOPERATIVE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following marketable securities were held as of December 31, 2011:

	Fair Value	Cost	Unrealized Gain
Homestead Funds	\$ 456,001	\$ 380,108	\$ 75,893
Scholarship Funds	87,607	82,724	4,883
	<u>\$ 543,608</u>	<u>\$ 462,832</u>	<u>\$ 80,776</u>

Fair Value Hierarchy

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Cooperative has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

The securities above are considered Level 2.

8. Inventories

Inventories consist of:

	December 31, 2012	2011
Duncan Valley Electric Cooperative, Inc.		
Electric Construction Materials and Supplies	\$ 159,225	\$ 137,395
Resale	5,416	5,449
Gas Utility Construction Material and Supplies	25,490	25,738
Total Cooperative Inventory	<u>\$ 190,131</u>	<u>\$ 168,582</u>

DUNCAN VALLEY ELECTRIC COOPERATIVE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9. Deferred Charges

Deferred charges consist of the following:

	December 31,	
	2012	2011
Right of Way	\$ 26,064	\$ 22,578
Other	2,862	4,302
	<u>\$ 28,926</u>	<u>\$ 26,880</u>

10. Income Taxes

The Cooperative is exempt from federal income taxes under Section 501(c)(12) of the Internal Revenue Code as long as 85% of its revenue is from members for the sole purpose of meeting losses and expenses. For the year ended December 31, 2012, the Cooperative qualified for exemption.

Aznex Cooperative Services, Inc. is a C-corporation subject to federal income taxes. This corporation files a federal income tax return. Current taxes and deferred taxes are allocated to each corporation on a stand alone basis.

The Cooperative follows accounting standards for income taxes. The objective of the asset and liability method is to establish deferred tax assets and liabilities for the temporary differences between the financial reporting basis and the tax basis of the Cooperative's assets and liabilities at enacted tax rates expected to be in effect when such amounts are realized and settled. As changes in the tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes.

Deferred income taxes result from transactions which enter into the determination of taxable income in different periods than recorded for financial reporting purposes. Currently there are no timing differences between book income and taxable income and as such no deferred taxes are recognized.

The components of the provision for federal and state tax benefit (expense) are as follows:

	December 31,	
	2012	2011
<u>Federal</u>		
Deferred Federal Tax Expense		
Federal Income Tax Expense	\$ 6,161	\$ 7,463
	<u>\$ 6,161</u>	<u>\$ 7,463</u>
<u>State</u>		
Deferred State Tax Expense		
State Income Tax Expense	\$ 3,076	\$ 3,708
	<u>\$ 3,076</u>	<u>\$ 3,708</u>
Total Provision for Federal and State Income Taxes	<u>\$ 9,237</u>	<u>\$ 11,171</u>

DUNCAN VALLEY ELECTRIC COOPERATIVE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Aznex Cooperative Services, Inc. does not have a net operating loss (NOL) carryover for state or federal income tax purposes.

On January 1, 2009, the Cooperative and Subsidiary adopted the "uncertain tax positions" provisions of accounting principles generally accepted in the United States of America. The primary tax position of the Cooperative is its' filing status as a tax exempt entity. The Cooperative and Subsidiary determined that it is more likely than not that their tax positions will be sustained upon examination by The Internal Revenue Service (IRS), or other State taxing authority, and that all tax benefits are likely to be realized upon settlement with taxing authorities.

The Cooperative and its subsidiaries file income tax returns in the U.S. federal jurisdiction, and the state of Arizona. The Cooperative and subsidiaries are no longer subject to U.S. federal and state income tax examinations by federal taxing authorities for years before 2009, and state taxing authorities for years before 2008.

The Cooperative and Subsidiary recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. There were no penalties or interest recognized during the years ended December 31, 2012 and 2011.

11. Return of Capital

No patronage capital has been retired in 2012 or 2011.

12. Patronage Capital

	December 31,	
	2012	2011
Assigned	\$ 11,497,777	\$ 11,497,777
Assignable		
	\$ 11,497,777	\$ 11,497,777
Less: Retired	3,962,224	3,962,224
Balance	\$ 7,535,553	\$ 7,535,553

13. Other Equities

	December 31,	
	2012	2011
Retired Capital Credits - Gain	\$ 95,093	\$ 95,093
Unrecovered Losses	(667,605)	(651,654)
	\$ (572,512)	\$ (556,561)

DUNCAN VALLEY ELECTRIC COOPERATIVE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14. Capital Lease Obligations

During the year, the Cooperative leased equipment from Altec Capital Services, LLC. The economic substance of the capital leases is that the Cooperative is financing the acquisition of the assets through the lease over their terms, and accordingly, they are reflected in the Cooperative's plant assets and liabilities.

The following is an analysis of the book value of the leased assets included in electric plant at December 31, 2012, which is being depreciated on a straight-line basis over 15 years.

	December 31, 2012
Cost	\$ 236,766
Accumulated Depreciation	<u>(6,438)</u>
	<u>\$ 230,328</u>

The capital lease obligation has an interest rate of 5.364% and will mature in 2019. The entire lease obligation to Altec Capital Services, LLC calls for payments totaling \$275,379 over the remaining term of the leases. Below is a schedule by years of the future minimum payments required under the leases, with their present value at December 31, 2012.

	Altec Leasing
2013	\$ 32,157
2014	35,081
2015	35,081
2016	35,081
2017	35,081
2018-2019	<u>102,897</u>
Total Minimum Lease Payments	\$ 275,378
Amount Representing Interest	<u>(49,928)</u>
Present Value of Lease Payments	<u>\$ 225,450</u>
Current Maturities	\$ 21,549
Non Current Maturities	<u>203,901</u>
	<u>\$ 225,450</u>

15. Short-Term Borrowing

The Cooperative has a \$490,000 line of credit for short-term financing with CFC at a variable interest rate which expires on August 2013. At December 31, 2012, the Cooperative did not have an outstanding balance on the line of credit.

DUNCAN VALLEY ELECTRIC COOPERATIVE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

16. Deferred Credits

	December 31,	
	2012	2011
Judy White Memorial Scholarship Fund	\$ 68,991	\$ 75,043
Renewable Energy Standards Tariff - NM and AZ	46,019	98,494
	<u>\$ 115,010</u>	<u>\$ 173,537</u>

17. Litigation, Commitments, and Contingencies

There is no pending litigation which would materially affect the financial position of the Cooperative.

The Cooperative is committed to purchase its electric power requirements from Arizona Electric Power Cooperative, Inc. (AEPCO) through the year 2020.

18. Pension Benefits

The National Rural Electric Cooperative Association (NRECA) Retirement Security Plan (RS Plan) is a defined benefit pension plan qualified under Section 401 and tax-exempt under Section 501(a) of the Internal Revenue Code. It is a multiemployer plan under the accounting standards. The plan sponsor's Employer Identification Number is 53-0116145 and the Plan Number is 333.

A unique characteristic of a multiemployer plan compared to a single employer plan is that all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers.

The Cooperative contributions to the RS Plan in 2012 and in 2011 represented less than 5 percent of the total contributions made to the plan by all participating employers. The Cooperative made contributions to the plan of \$159,323 in 2012 and \$175,720 in 2011. There have been no significant changes that affect the comparability of 2012 and 2011 contributions.

In the RS Plan, a "zone status" determination is not required, and therefore not determined, under the Pension Protection Act (PPA) of 2006. In addition, the accumulated benefit obligations and plan assets are not determined or allocated separately by individual employer. In total, the Retirement Security Plan was between 65 percent and 80 percent funded at January 1, 2012 and January 1, 2011 based on the PPA funding target and PPA actuarial value of assets on those dates.

Because the provisions of the PPA do not apply to the RS Plan, funding improvement plans and surcharges are not applicable. Future contribution requirements are determined each year as part of the actuarial valuation of the plan and may change as a result of plan experience.

DUNCAN VALLEY ELECTRIC COOPERATIVE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The employees also participate in a 401-K plan, a defined contribution plan provided through National Rural Electric Cooperative Association. The Cooperative makes monthly contributions to the plan. The cost for the Cooperative was \$35,579 and \$35,936 for the years ended December 31, 2012 and 2011, respectively.

19. Related Party Transactions

The Cooperative is represented on the Board of Directors of Arizona Electric Power Cooperative, Inc., (AEPCO) and purchases all of its electric power from AEPCO. Margins earned by AEPCO have been allocated to the Cooperative and are included under Investments in Associated Organizations. The Cooperative also invests through the AEPCO membership investment program as reflected in Note 7.

20. Subsequent Events

The Cooperative has evaluated subsequent events through February 4, 2013, the date which the financial statements were available to be issued.

CONSOLIDATING AND ACCOMPANYING INFORMATION

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITORS' REPORT ON CONSOLIDATING
AND ACCOMPANYING INFORMATION**

We have audited the consolidated financial statements of Duncan Valley Electric Cooperative, Inc., as of and for the years ended 2012 and 2011, and our report thereon dated February 4, 2013, which expressed an unmodified opinion on those financial statements as a whole. The consolidating schedules, schedule of electric plant, accumulated provision for depreciation, other property and investments, patronage capital, administrative and general expenses, five year comparative data, and divisional income statement are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

February 4, 2013

CONSOLIDATING INFORMATION

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DUNCAN VALLEY ELECTRIC COOPERATIVE, INC.

Schedule 1

**CONSOLIDATING INFORMATION
BALANCE SHEET
DECEMBER 31, 2012 AND 2011**

ASSETS

	December 31,	
	2012	2011
UTILITY PLANT AT COST		
Plant in Service	\$ 9,793,355	\$ 9,472,455
Construction Work in Progress	(5,448)	(3,964)
	<u>\$ 9,787,907</u>	<u>\$ 9,468,491</u>
Less: Accumulated Provision for Depreciation	5,929,998	5,763,762
	<u>\$ 3,857,909</u>	<u>\$ 3,704,729</u>
OTHER PROPERTY AND INVESTMENTS - AT COST OR STATED VALUE		
Nonutility Property	\$ 22,728	\$ 22,728
Investments in Associated Organizations	2,044,126	2,026,714
Temporary Investments - Other	811,358	543,608
Investment in Subsidiary Company	140,942	106,031
Notes Receivable (Less allowance for uncollectibles of \$4,169 in 2012 and \$4,169 in 2011)	52,457	65,030
	<u>\$ 3,071,611</u>	<u>\$ 2,764,111</u>
CURRENT ASSETS		
Cash - General	\$ 170,429	\$ 195,266
Temporary Investments - Cash Equivalents	300,000	500,000
Accounts Receivable (Less allowance for uncollectibles of \$10,666 in 2012 and \$10,146 in 2011)	348,595	409,254
Underbilled Power and Gas Cost	13,390	
Materials and Supplies	190,131	168,582
Interest Receivable	11,288	11,384
Other Current and Accrued Assets	61,223	54,962
	<u>\$ 1,095,056</u>	<u>\$ 1,339,448</u>
DEFERRED CHARGES	<u>\$ 28,925</u>	<u>\$ 26,880</u>
TOTAL ASSETS	<u>\$ 8,053,501</u>	<u>\$ 7,835,168</u>

EQUITIES AND LIABILITIES

EQUITIES		
Patronage Capital	\$ 7,535,553	\$ 7,535,553
Other (Deficits)	(572,510)	(556,561)
Unrealized Gain on Available-for-Sale	148,680	80,776
	<u>\$ 7,111,723</u>	<u>\$ 7,059,768</u>
LONG TERM DEBT		
Capital Leases	\$ 203,900	\$ 0
	<u>\$ 203,900</u>	<u>\$ 0</u>
CURRENT LIABILITIES		
Current Portion of Long-Term Debt	\$ 21,549	\$
Accounts Payable - Purchased Power and Gas	203,698	212,537
Accounts Payable - Other	100,035	81,973
Accounts Payable - Overbilled Power and Gas Cost		7,693
Accrued Taxes	57,774	59,802
Consumers' Deposits and Prepayments	72,335	64,835
Accrued Employee Compensated Absences	134,957	121,951
Accrued Payroll	2,734	25,959
Other Current and Accrued Liabilities	29,787	27,113
	<u>\$ 622,869</u>	<u>\$ 601,863</u>
DEFERRED CREDITS	<u>\$ 115,009</u>	<u>\$ 173,537</u>
TOTAL EQUITIES AND LIABILITIES	<u>\$ 8,053,501</u>	<u>\$ 7,835,168</u>

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DUNCAN VALLEY ELECTRIC COOPERATIVE, INC.

Schedule 2

CONSOLIDATING INFORMATION
STATEMENT OF INCOME AND PATRONAGE CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Years Ended December 31,				
	2012		2011		Increase (Decrease)
	Amount	%	Amount	%	
OPERATING REVENUES					
Residential	\$ 2,651,843	66.9	\$ 2,731,289	68.3	\$ (79,446)
Irrigation	478,351	12.1	510,573	12.8	(32,222)
Commercial and Industrial	752,161	19.0	767,076	19.2	(14,915)
Public Street and Highway Lighting	15,614	0.4	16,110	0.4	(496)
Power and Gas Cost Over (Under) Billed	21,083	0.5	(51,120)	(1.3)	72,203
Rent from Electric Property	28,718	0.7	12,335	0.3	16,383
Other Operating Revenues	16,671	0.4	12,874	0.3	3,797
Total Operating Revenues	<u>\$ 3,964,441</u>	<u>100.0</u>	<u>\$ 3,999,137</u>	<u>100.0</u>	<u>\$ (34,696)</u>
OPERATING EXPENSES					
Purchased Power and Gas	\$ 2,412,465	60.9	\$ 2,482,551	62.1	\$ (70,086)
Distribution - Operation	586,392	14.8	567,309	14.2	19,083
Distribution - Maintenance	186,947	4.7	199,020	5.0	(12,073)
Customer Accounts	331,868	8.4	317,590	7.9	14,278
Customer Service and Information	25,344	0.6	21,370	0.5	3,974
Administrative and General	276,316	7.0	260,300	6.5	16,016
Depreciation and Amortization	282,632	7.1	280,069	7.0	2,563
Other Interest	142	0.0	174	0.0	(32)
Total Operating Expenses	<u>\$ 4,102,106</u>	<u>103.5</u>	<u>\$ 4,128,383</u>	<u>103.2</u>	<u>\$ (26,277)</u>
OPERATING MARGINS (LOSS) - BEFORE FIXED CHARGES	<u>\$ (137,665)</u>	<u>(3.5)</u>	<u>\$ (129,246)</u>	<u>(3.2)</u>	<u>\$ (8,419)</u>
FIXED CHARGES					
Interest on Long-Term Debt	<u>6,224</u>	<u>0.2</u>	<u>0.0</u>	<u>0.0</u>	<u>6,224</u>
OPERATING MARGINS (LOSS) - AFTER FIXED CHARGES	<u>\$ (143,889)</u>	<u>(3.7)</u>	<u>\$ (129,246)</u>	<u>(3.2)</u>	<u>\$ (14,643)</u>
Capital Credits	<u>28,451</u>	<u>0.7</u>	<u>128,056</u>	<u>3.2</u>	<u>(99,605)</u>
NET OPERATING MARGINS	<u>\$ (115,438)</u>	<u>(3.0)</u>	<u>\$ (1,190)</u>	<u>0.0</u>	<u>\$ (114,248)</u>
NONOPERATING MARGINS					
Interest Income	\$ 64,577	1.6	\$ 58,508	1.5	\$ 6,069
Other Nonoperating Income		0.0		0.0	0
Income from Subsidiary	<u>34,912</u>	<u>0.9</u>	<u>42,040</u>	<u>1.1</u>	<u>(7,128)</u>
	<u>\$ 99,489</u>	<u>2.5</u>	<u>\$ 100,548</u>	<u>2.6</u>	<u>\$ (1,059)</u>
NET MARGINS - BEFORE COMPREHENSIVE INCOME	<u>\$ (15,949)</u>	<u>(0.5)</u>	<u>\$ 99,358</u>	<u>2.6</u>	<u>\$ (115,307)</u>
COMPREHENSIVE INCOME					
Gain on Securities Held for Sale	<u>67,904</u>	<u>1.7</u>	<u>1,291</u>	<u>0.0</u>	<u>66,613</u>
NET MARGINS - AFTER COMPREHENSIVE INCOME	<u>\$ 51,955</u>	<u>1.2</u>	<u>\$ 100,649</u>	<u>2.6</u>	<u>\$ (48,694)</u>
PATRONAGE CAPITAL - BEGINNING OF YEAR	7,535,553		7,535,553		
Transfer of Comprehensive Income	(67,904)		(1,291)		
Income Offset to Prior Losses			(99,358)		
Transfer Losses to Other Equities	15,949				
PATRONAGE CAPITAL - END OF YEAR	<u>\$ 7,535,553</u>		<u>\$ 7,535,553</u>		

DUNCAN VALLEY ELECTRIC COOPERATIVE, INC.

Schedule 3

CONSOLIDATING INFORMATION
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	December 31,	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Margins (Loss)	\$ (15,949)	\$ 99,358
Adjustments to Reconcile Net Margins (Loss) to Net Cash Provided by Operating Activities		
Depreciation	303,400	297,865
(Gain) Loss from Subsidiary	(34,912)	(42,039)
Deferred Charges	(2,045)	(767)
Deferred Credits	(58,528)	27,201
Accounts Receivable	60,659	66,257
Inventories and Other Current Assets	(41,104)	24,295
Payables and Accrued Expenses	(543)	29,922
Net Cash Provided By Operating Activities	\$ 210,978	\$ 502,092
CASH FLOWS FROM INVESTING ACTIVITIES		
Gross Additions to Utility Plant	\$ (433,916)	\$ (183,604)
Salvage Value of Retirements and Other Credits	2,687	4,213
Plant Removal Costs	(25,351)	(16,438)
Investments in Associated Organizations	(17,412)	(147,056)
Notes Receivable - Energy Resource Loans (Net)	12,573	15,358
Investments in Temporary Investment - Other	(199,846)	(61,055)
Net Cash Used in Investing Activities	\$ (661,265)	\$ (388,582)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Capital Leases	\$ 236,766	\$
Payments on Capital Leases	(11,316)	
Net Cash Provided by (Used in) Financing Activities	\$ 225,450	\$ 0
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (224,837)	\$ 113,510
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	695,266	581,756
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 470,429	\$ 695,266
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for:		
Interest	\$ 6,224	\$ 0
Income Taxes	\$ 0	\$ 0

During the year ended December 31, 2012 and 2011, the Cooperative had unrealized gains of \$67,904 and \$1,291, respectively, which increased other equities and temporary investments - other.

AZNEX COOPERATIVE SERVICES, INC.

Schedule 4

**CONSOLIDATING INFORMATION
BALANCE SHEET
DECEMBER 31, 2012 AND 2011**

ASSETS

	December 31,	
	2012	2011
CURRENT ASSETS		
Cash - General	\$ 7,908	\$ 1,036
Accounts Receivable	134,832	112,050
Prepaid Income Taxes	7,440	6,080
	<u>\$ 150,180</u>	<u>\$ 119,166</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

	December 31,	
	2012	2011
CURRENT LIABILITIES		
Accrued Liabilities	\$ 9,237	\$ 13,133
	<u>\$ 9,237</u>	<u>\$ 13,133</u>
STOCKHOLDERS' EQUITY		
Capital Stock; No Par Value; 10,000,000 Shares Authorized; 50,000 Shares Issued and Outstanding	\$ 50,000	\$ 50,000
Retained Earnings	90,943	56,033
	<u>\$ 140,943</u>	<u>\$ 106,033</u>
	<u>\$ 150,180</u>	<u>\$ 119,166</u>

AZNEX COOPERATIVE SERVICES, INC.

Schedule 5

**CONSOLIDATING INFORMATION
STATEMENT OF INCOME (LOSS)
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	December 31,	
	2012	2011
OPERATING REVENUES		
Internet Revenue	\$ 123,725	\$ 115,989
	<u>\$ 123,725</u>	<u>\$ 115,989</u>
OPERATING EXPENSES		
Internet Expenses	\$ 79,578	\$ 62,780
	<u>\$ 79,578</u>	<u>\$ 62,780</u>
OPERATING MARGINS - BEFORE INCOME TAXES	\$ 44,147	\$ 53,209
INCOME TAX EXPENSE	<u>(9,237)</u>	<u>(11,170)</u>
OPERATING MARGINS - AFTER INCOME TAXES	\$ 34,910	\$ 42,039
RETAINED EARNINGS - BEGINNING OF YEAR	<u>56,033</u>	<u>13,994</u>
RETAINED EARNINGS (LOSS) - END OF YEAR	<u>\$ 90,943</u>	<u>\$ 56,033</u>

AZNEX COOPERATIVE SERVICES, INC.

Schedule 6

**CONSOLIDATING INFORMATION
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	December 31,	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Margins	\$ 34,910	\$ 42,039
Adjustments to Reconcile Net Margins to Net Cash		
Provided by (Used in) Operating Activities		
Accounts Receivable	(22,782)	(51,454)
Prepaid Income Taxes	(1,360)	815
Payables and Accrued Expenses	(3,896)	3,460
Net Cash Provided (Used in) Operating Activities	\$ 6,872	\$ (5,140)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Cash Provided by (Used in) Investing Activities	\$ 0	\$ 0
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Cash Provided by (Used in) Financing Activities	\$ 0	\$ 0
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 6,872	\$ (5,140)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,036	6,176
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 7,908	\$ 1,036
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for:		
Interest	\$ 0	\$ 0
Income Taxes	\$ 7,328	\$ 5,295

ACCOMPANYING INFORMATION

DUNCAN VALLEY ELECTRIC COOPERATIVE, INC.

Schedule 7

ELECTRIC PLANT
FOR THE YEAR ENDED DECEMBER 31, 2012

	Balance 1/1/2012	Additions	Retirements	Balance 12/31/2012
CLASSIFIED ELECTRIC PLANT IN SERVICE				
Intangible Plant	\$ 176	\$	\$	\$ 176
Distribution Plant				
Land and Land Rights	\$ 2,397	\$	\$	\$ 2,397
Station Equipment	145,413			145,413
Poles, Towers, and Fixtures	1,847,081	46,307	6,507	1,886,881
Overhead Conductors and Devices	1,731,188	16,464	5,499	1,742,153
Underground Conduit	21,336			21,336
Underground Conductors and Devices	140,619			140,619
Line Transformers	1,337,489	22,614		1,360,103
Services	511,913	31,708	4,436	539,185
Meters	486,619	46,685		533,304
Street Light and Signal Systems	145,756	13,177	2,637	156,296
Total	\$ 6,369,811	\$ 176,955	\$ 19,079	\$ 6,527,687
General Plant				
Land and Land Rights	\$ 9,740	\$	\$	\$ 9,740
Structures and Improvements	635,993			635,993
Office Furniture and Equipment	213,235	5,000	81,408	136,827
Transportation Equipment	319,966	110,089		430,055
Stores Equipment	30,190			30,190
Tools, Shop, and Garage Equipment	18,936			18,936
Laboratory Equipment	40,444			40,444
Power Operated Equipment	182,875	126,676		309,551
Communications Equipment	54,715			54,715
Miscellaneous Equipment	76,277		5,495	70,782
Total	\$ 1,582,371	\$ 241,765	\$ 86,903	\$ 1,737,233
Total Classified Electric Plant in Service	\$ 7,952,358	\$ 418,720	\$ 105,982	\$ 8,265,096
Gas Plant in Service				
Distribution Plant	\$ 1,475,598	\$ 15,258	\$ 8,518	\$ 1,482,338
General Plant	44,499	1,422		45,921
Total Gas Plant in Service	\$ 1,520,097	\$ 16,680	\$ 8,518	\$ 1,528,259
Construction Work in Progress	\$ (3,964)	\$ (1,484)	\$ 0	\$ (5,448)
Total Utility Plant	\$ 9,468,491	\$ 433,916	\$ 114,500	\$ 9,787,907

DUNCAN VALLEY ELECTRIC COOPERATIVE, INC.

Schedule 8

ACCUMULATED PROVISION FOR DEPRECIATION
FOR THE YEAR ENDED DECEMBER 31, 2012

	Balance 1/1/2012	Depreciation Accruals	Retirements	Balance 12/31/2012
CLASSIFIED ELECTRIC PLANT IN SERVICE				
Distribution Plant	\$ 3,595,887	\$ 215,763	\$ 39,905	\$ 3,771,745
General Plant				
Structures and Improvements	\$ 513,627	\$ 15,954	\$	\$ 529,581
Laboratory Equipment	40,444			40,444
Office Furniture and Fixtures	187,729	5,335	81,408	111,656
Transportation Equipment	261,413	14,937		276,350
Tools, Shop, and Garage Equipment	18,935			18,935
Communications Equipment	44,057	1,110		45,167
Stores Equipment	30,192			30,192
Power Operated Equipment	134,114	6,638		140,752
Miscellaneous Equipment	74,983	735	5,495	70,223
Total General Plant	\$ 1,305,494	\$ 44,709	\$ 86,903	\$ 1,263,300
Total Classified Electric Plant in Service	\$ 4,901,381	\$ 260,472	\$ 126,808	\$ 5,035,045
Gas Plant in Service				
Distribution Plant	\$ 821,810	\$ 42,779	\$ 9,800	\$ 854,789
General Plant	41,028	149		41,177
Total Gas Plant in Service	\$ 862,838	\$ 42,928	\$ 9,800	\$ 895,966
Retirement Work in Progress	\$ (457)	\$ 0	\$ 556	\$ (1,013)
	\$ 5,763,762	\$ 303,400	\$ 137,164	\$ 5,929,998

(1)

(2)

(1) Charged to Depreciation Expense
Charged to Clearing Accounts

\$ 282,633
20,767
\$ 303,400

(2) Cost of Units Retired
Add: Cost of Removal
Less: Salvage and Other Credits

\$ 114,500
25,351
2,687

Loss Due to Retirements

\$ 137,164

DUNCAN VALLEY ELECTRIC COOPERATIVE, INC.

Schedule 9

OTHER PROPERTY AND INVESTMENTS
DECEMBER 31, 2012 AND 2011

	December 31,	
	2012	2011
NON-UTILITY PROPERTY		
Land	\$ 22,728	\$ 22,728
INVESTMENTS IN ASSOCIATED ORGANIZATIONS		
Patronage Capital Credits		
Arizona Electric Power Cooperative, Inc.	\$ 1,244,562	\$ 1,226,968
CFC	1,012	1,012
NRTC	69,199	69,208
Western United	307	
Memberships		
CFC	2,000	2,000
Grand Canyon State Electric Cooperatives Association	150	150
Grand Canyon State Electric Cooperatives- Building	23,247	23,247
Arizona Electric Power Cooperative, Inc.	5	5
Southwest Transmission Electric	100	100
Sierra Southwest Electric Power Cooperative Services	100	100
National Cooperative Services Corporation	100	100
NRTC	1,000	1,000
Capital Term Certificates - CFC	160,647	160,647
Member Capital Securities - CFC	500,000	500,000
Investment - Federated Insurance	41,697	42,177
	\$ 2,044,126	\$ 2,026,714
INVESTMENT IN SUBSIDIARY - AZNEX, INC.		
Capital Stock	\$ 50,000	\$ 50,000
Accumulated Margins	90,942	56,031
	\$ 140,942	\$ 106,031
NOTES RECEIVABLE		
Member Loans - Heat Pump Installations	\$ 56,626	\$ 69,199
Reserve for Uncollectible Loans	(4,169)	(4,169)
	\$ 52,457	\$ 65,030
Total Other Property and Investments	\$ 2,260,253	\$ 2,220,503

TEMPORARY INVESTMENTS
DECEMBER 31, 2012 AND 2011

	December 31,	
	2012	2011
AEPCO Note Participation Program Note	\$ 300,000	\$ 500,000
Homestead Funds	728,024	456,001
Judy White Memorial Scholarship Fund	83,334	87,607
Total Temporary Investments	\$ 1,111,358	\$ 1,043,608

DUNCAN VALLEY ELECTRIC COOPERATIVE, INC.

Schedule 10

PATRONAGE CAPITAL
DECEMBER 31, 2012

Year	Assignable	Assigned		Retired	Balance
		G&T	Distribution		
1962	\$	\$	\$ 18,451	\$ 18,451	\$
1963			28,331	28,331	
1964			24,321	24,321	
1965			22,136	22,136	
1966			14,129	14,129	
1967			26,314	26,314	
1968			18,407	18,407	
1969		2,449	21,870	21,870	2,449
1970		3,311	29,124	29,124	3,311
1971		9,430	25,016	25,016	9,430
1972		10,177	31,557	31,557	10,177
1973		11,000	27,481	27,481	11,000
1974		16,741	33,261	33,261	16,741
1975			17,181	17,181	
1976			67,323	67,323	
1977			6,692	6,692	
1978			298,176	298,176	
1979			688,746	688,746	
1980			557,245	557,245	
1981			695,070	695,070	
1982			430,960	430,960	
1983			232,451	232,451	
1984			392,534	392,534	
1985			470,802	255,448	215,354
1986			450,792		450,792
1987			416,247		416,247
1988			404,833		404,833
1989			394,443		394,443
1990			568,865		568,865
1991			550,305		550,305
1992			451,779		451,779
1993			446,191		446,191
1994			501,539		501,539
1995			601,994		601,994
1996			146,067		146,067
1997			615,366		615,366
1998			1,443,833		1,443,833
2001-AEPCO		93,791			93,791
2002-AEPCO		125,726			125,726
2003-AEPCO		55,320			55,320
	\$ 0	\$ 327,945	\$ 11,169,832	\$ 3,962,224	\$ 7,535,553

DUNCAN VALLEY ELECTRIC COOPERATIVE, INC.

Schedule 11

ADMINISTRATIVE AND GENERAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	December 31,		Increase
	2012	2011	(Decrease)
Office Supplies and Expense	\$ 55,613	\$ 54,095	\$ 1,518
Outside Services Employed	35,982	45,824	(9,842)
Directors' Fees and Expense	82,137	77,221	4,916
Annual Meeting Expense	7,827	14,395	(6,568)
Dues to Associated Organizations	25,252	26,669	(1,417)
Miscellaneous General Expense	55,973	31,567	24,406
Utility Commission Related Expenses	10,001	8,956	1,045
Maintenance of General Plant	7,345	4,885	2,460
Duplicate Charges (Credit)	(3,814)	(3,312)	(502)
Total	\$ <u>276,316</u>	\$ <u>260,300</u>	\$ <u>16,016</u>

DUNCAN VALLEY ELECTRIC COOPERATIVE, INC.

Schedule 12

FIVE YEAR COMPARATIVE DATA

Financial Data	Years Ended December 31,				
	2012	2011	2010	2009	2008
OPERATING REVENUES					
Residential	\$ 2,651,843	\$ 2,731,289	\$ 2,715,283	\$ 2,822,273	\$ 2,878,768
Irrigation	478,351	510,573	350,023	472,206	348,334
Commercial and Industrial	752,161	767,076	791,275	841,795	832,744
Public Street and Highway Lighting	15,614	16,110	16,443	16,980	15,835
Power Cost Under (Over) Billed	21,083	(51,120)	209,994	(127,354)	(99,569)
Rent from Electric Property	28,718	12,335	12,189	12,429	23,203
Other Operating Revenues	16,671	12,874	10,800	10,787	15,053
Total Operating Revenues	\$ 3,964,441	\$ 3,999,137	\$ 4,106,007	\$ 4,049,116	\$ 4,014,368
OPERATING EXPENSES					
Purchased Power	\$ 2,412,465	\$ 2,482,551	\$ 2,619,295	\$ 2,553,413	\$ 2,466,267
Distribution - Operation	586,392	567,309	651,648	706,197	586,811
Distribution - Maintenance	186,947	199,020	239,380	147,202	115,557
Customer Accounts	331,868	317,590	360,436	332,157	289,305
Customer Service and Information	25,344	21,370	17,888	23,353	7,755
Administrative and General Expense	276,316	260,300	275,165	267,063	250,191
Depreciation and Amortization	282,632	280,069	276,771	272,311	265,591
Other Interest	142	174	232	274	1,374
Total Operating Expenses	\$ 4,102,106	\$ 4,128,383	\$ 4,440,815	\$ 4,301,970	\$ 3,982,851
OPERATING MARGINS (LOSS) - Before Fixed Charges	\$ (137,665)	\$ (129,246)	\$ (334,808)	\$ (252,854)	\$ 31,517
FIXED CHARGES					
Interest on Long-Term Debt	6,224			48	668
OPERATING MARGINS (LOSS) - After Fixed Charges	\$ (143,889)	\$ (129,246)	\$ (334,808)	\$ (252,902)	\$ 30,849
Capital Credits	28,451	128,056	110,439	271,524	425,564
NET OPERATING MARGINS (LOSS)	\$ (115,438)	\$ (1,190)	\$ (224,369)	\$ 18,622	\$ 456,413
NONOPERATING MARGINS (LOSS)					
Interest Income	\$ 64,577	\$ 58,508	\$ 59,493	\$ 26,870	\$ 55,329
Other Nonoperating Income (Loss)			8,829	163	(31,244)
Income (Loss) of Subsidiary	34,912	42,040	43,324	78,668	(12,066)
	\$ 99,489	\$ 100,548	\$ 111,646	\$ 105,701	\$ 12,019
NET MARGINS (LOSS) - BEFORE COMPREHENSIVE INCOME	\$ (15,949)	\$ 99,358	\$ (112,723)	\$ 124,323	\$ 468,432
Miscellaneous Statistics					
Equity to Total Assets	89.31	90.10	90.64	90.64	91.72
Equity to Total Capitalization	96.93	100.00	100.00	100.00	99.95

DUNCAN VALLEY ELECTRIC COOPERATIVE, INC.

Schedule 13

DIVISIONAL INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2012

	Year Ended December 31, 2012			
	Electric		Gas	
	Amount	%	Amount	%
OPERATING REVENUES				
Residential	\$ 2,228,294	65.4	\$ 423,549	75.4
Irrigation	408,890	12.0	69,461	12.4
Commercial and Industrial	676,705	19.9	75,456	13.4
Public Street and Highway Lighting	15,614	0.5		0.0
Power and Gas Cost Over Billed	32,499	1.0	(11,416)	(2.0)
Rent from Electric Property	35,020	1.0		0.0
Other Operating Revenues	11,791	0.3	4,880	0.9
Total Operating Revenues	<u>\$ 3,408,813</u>	<u>100.0</u>	<u>\$ 561,930</u>	<u>100.0</u>
OPERATING EXPENSES				
Purchased Power and Gas	\$ 2,268,406	66.5	\$ 144,059	25.6
Distribution - Operation	339,558	10.0	246,834	43.9
Distribution - Maintenance	132,311	3.9	60,938	10.8
Customer Accounts	266,349	7.8	65,519	11.7
Customer Service and Information	25,344	0.7		0.0
Administrative and General	253,074	7.4	23,243	4.1
Depreciation and Amortization	239,704	7.0	42,928	7.6
Other Interest	142	0.0		0.0
Total Operating Expenses	<u>\$ 3,524,888</u>	<u>103.4</u>	<u>\$ 583,521</u>	<u>103.8</u>
OPERATING LOSS - BEFORE FIXED CHARGES	<u>\$ (116,075)</u>	<u>(3.4)</u>	<u>\$ (21,591)</u>	<u>(3.8)</u>
FIXED CHARGES				
Interest on Long-Term Debt	<u>6,224</u>	<u>0.2</u>	<u></u>	<u></u>
OPERATING LOSS - AFTER FIXED CHARGES	<u>\$ (122,299)</u>	<u>(3.6)</u>	<u>\$ (21,591)</u>	<u>(3.8)</u>
Capital Credits	<u>28,451</u>	<u>0.8</u>	<u></u>	<u></u>
NET OPERATING MARGINS (LOSS)	<u>\$ (93,848)</u>	<u>(2.8)</u>	<u>\$ (21,591)</u>	<u>(3.8)</u>
NONOPERATING MARGINS				
Interest Income	\$ 64,577	1.9	\$	
Other Nonoperating Income		0.0		
	<u>\$ 64,577</u>	<u>1.9</u>	<u>\$ 0</u>	<u>0.0</u>
DIVISIONAL INCOME (LOSS)	<u><u>\$ (29,271)</u></u>	<u><u>(0.9)</u></u>	<u><u>\$ (21,591)</u></u>	<u><u>(3.8)</u></u>

Exhibit B

Duncan Valley Electric Cooperative
NRECA Retirement Security Plan
Prepayment Savings

Billing Rate (% of P/R)	Prior 29.03%	New 21.81%	Loan Interest Rate (Fixed) 2.95%	475,099
Annual Base Payroll 2012	676,489		Term (Years) 11	
Yearly Payroll Growth	3.33%		Frequency Quarter	
			Annual Payments	\$50,735

Program Year	Prior vs New			11 Year Loan 2.95% - Fixed			Cummulative Savings
	Prior Billing	New Billing	Billing Savings	Installment Payments	New Bill + Installments	Savings	
Totals	5,276,932	3,964,516	1,312,416	558,080	4,522,596	754,336	
1	196,385	147,542	48,843	50,735	198,277		
2	202,276	151,969	50,308	50,735	202,703		
3	208,345	156,528	51,817	50,735	207,262	1,082	
4	214,595	161,223	53,372	50,735	211,958	2,637	1,401
5	221,033	166,060	54,973	50,735	216,795	4,238	5,639
6	227,664	171,042	56,622	50,735	221,776	5,887	11,526
7	234,494	176,173	58,321	50,735	226,908	7,586	19,112
8	241,528	181,458	60,070	50,735	232,193	9,336	28,448
9	248,774	186,902	61,872	50,735	237,637	11,138	39,585
10	256,238	192,509	63,728	50,735	243,244	12,994	52,579
11	263,925	198,284	65,640	50,735	249,019	14,906	67,485
12	271,842	204,233	67,609	0	204,233	67,609	135,094
13	279,998	210,360	69,638	0	210,360	69,638	204,732
14	288,398	216,671	71,727	0	216,671	71,727	276,459
15	297,050	223,171	73,879	0	223,171	73,879	350,337
16	305,961	229,866	76,095	0	229,866	76,095	426,433
17	315,140	236,762	78,378	0	236,762	78,378	504,810
18	324,594	243,865	80,729	0	243,865	80,729	585,540
19	334,332	251,181	83,151	0	251,181	83,151	668,691
20	344,362	258,716	85,646	0	258,716	85,646	754,336